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DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY ZITCHEL DATE 1/7/83
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STANDARD FORM NO. 64

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Office Memorandum • UNITED STATES GOVERNMENT

TO : S/P - Mr. Butler *SHB*
FROM : ARA - Mr. Halle
SUBJECT: Latin American Policy Statement

DATE: November 15, 1950

In accordance with our telephone conversation, here are fifteen copies of the second draft of "Development of US Latin American Policy in Terms of US World Objectives, 1950-1955". It is presented to S/P merely as a point of departure for discussion.

LH
Louis J. Halle, Jr.

Attachment
15 copies of policy statement.

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STATE DEPARTMENT POLICY STATEMENT

1. INTRODUCTION

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1. NSC 68 2 sets forth, in the following words, the principal objectives for US foreign policy to achieve in the next four or five years: "... we must, by means of a rapid and sustained build-up of the political, economic, and military strength of the free world, and by means of an affirmative program designed to wrest the initiative from the Soviet Union, confront it with convincing evidence of the determination and ability of the free world to frustrate the Kremlin design of a world dominated by its will."

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2. NSC 68 2 also states: "Our position as the center of power in the free world places a heavy responsibility upon the United States for leadership. We must organize and utilize the energies and resources of the free world in a positive program for peace which will frustrate the Kremlin design."

3. Latin America is an integral part of the free world.

4. NSC 68 2 sets forth the policy of the US with respect to military collaboration among the American states in confronting the Kremlin design.

5. The basic US policy toward Latin America in the present circumstances, however, has never been defined and embodied in a single policy directive to all agencies of our Government concerned. The lack of such a directive leads to confusion and to consequent difficulties in coordinating the attitudes and actions of all the officers of our Government who play a part in the conduct of our Latin American relations.

6. This policy statement is our established policy regarding the Central American situation. It was originally issued in 1954 and has since that time no longer been revised.

2.

TOP SECRET

That... following... the... of the... the "New World" in a hemisphere... The main purpose of our foreign policy during the... was to insulate our hemisphere against the political suspicions that were leveling... with respect to which we maintained an attitude of detachment.

The concept of a Latin American policy today represents a reversal of tradition. Today we have assumed the leadership of the entire free world in its defense against the expansionist foreign policy of Soviet Russia. That leadership has involved us in a commitment to build up the strength of the free world wherever necessary to frustrate Soviet imperialism. The present position of the US with respect to the UN provides a full contrast with US aloofness from the old League of Nations. It is... today, however, as it was in the 1930's that our security is synonymous with hemisphere security. The Latin American countries share with us the inner citadel of our defense. This concept has governed our strategic thinking since the proclamation of the Monroe Doctrine in 1823 and continues to govern it today. On September 19, 1949, Secretary Acheson said: "The Monroe Doctrine is an acknowledgment that the security of this hemisphere is indivisible." The Doctrine still presents basic US policy. Today, however, it represents a contingent policy, a policy in reserve. The UN and the inter-American system would have to break down before we would be occasioned to invoke it.

Our expansion from traditional isolationism has required... the countries of Europe, Asia, and Africa. It also requires an

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TOP SECRET

world and Latin America and a positive role for Latin America in that situation.

II. WORLD STRATEGY AND THE POSITION OF LATIN AMERICA.

10. The US is leader of a world-wide coalition of free nations in the common defense against Soviet aggression.

11. The core of the coalition is represented by two systems of alliances: (a) the inter-American alliance under the Rio Treaty, and (b) the similar North Atlantic alliance under the North Atlantic Treaty. The position of the US is unique in that it belongs to both groups, has subscribed to both treaties, and occupies the position of leadership in both systems.

12. In the strategic dispositions of the cold war, the North Atlantic alliance (together with the UN) represents our front lines. The inter-American alliance stands most importantly in reserve. If we lose the elements of our security overseas, if we are expelled from Europe, we fall back upon the inner defenses provided by our inter-American alliance.

13. The dependence of US security on Latin America is immediate as well as contingent. We rely on Latin America for between one-third and one-half of all the votes that support our leadership in the UN. The ~~availability~~ ^{from} of certain raw materials / Latin America is an essential element in the economic strength of the free-world coalition. Finally, the role of Latin America in the present "war for men's minds" is critical. Because the American states are geographically and historically a part of that "New World" which was dedicated to freedom, their success in making freedom work effectively, in meeting the aspirations of their peoples, has a profound moral effect throughout the world.

14. The reserve importance of Latin America refers to the possibilities (a) that we lose our allies overseas and have to fall back on this Hemisphere, and (b) that, aside from

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TOP SECRET

this contingency, we find ourselves plunged into another world war. In both cases we would be vitally dependent on access to raw materials within the jurisdictions of the Latin American states. The ability of the Latin Americans to maintain good order within their jurisdictions, to exclude enemy elements, and to support themselves in essential respects would also be vital for our survival.

15. Our policy does not contemplate a situation in which the essential Latin American contributions to our security would have to be obtained by force or not at all. No calculations would be in order, therefore, on what the cost of developing and exercising such force would be. Our policy depends, rather, on the voluntary contributions of the Latin American states within the context of a continuing inter-American system along the lines of its present development.

16. Our policy cannot take into account only the elements of strength that Latin America has to offer. It must also weigh the weakening effect on the anti-communist coalition and on US security of any serious breakdowns of political and economic order in Latin America. We would find ourselves inescapably obliged to come to the rescue of our neighbors, perhaps at a time when we were desperately involved elsewhere. This is a major consideration in view of political and economic instability almost throughout Latin America. Economic insecurity has reached an advanced stage in some of the Latin American countries--notably, Bolivia, Ecuador, and Haiti. It is not unrealistic to contemplate the possibility of a rather complete breakdown of political, social, and economic organization in those countries, and in other countries that depend excessively on the international markets for particular raw materials.

17. Moreover, the outbreak of conflicts between Latin American states, such as occurred in Latin American history up to a dozen years ago, might render the inter-American system unworkable.

REF ID: A61111
TOP SECRET

-5-

III. THE STATE OF US RELATIONS WITH LATIN AMERICA.

18. The basic element in present US relations with Latin America is the continuing solidarity that characterizes the inter-American system. This has enabled us to develop our foreign policy over the past five years in other parts of the world with considerable assurance of the internal security of our own hemisphere. That confidence is not unjustified today.

19. Our confidence in the reliability of Latin America enabled us, during the second half of the 1940's, to concentrate on the emergencies overseas that demanded our full attention. Our inability to give equal attention simultaneously to all the fronts on which we must conduct our foreign relations may have made it logical that we accept the risk of some deterioration in our Latin American relations as the price of doing what was urgently necessary in the North Atlantic and Mediterranean areas. That deterioration took the form of mounting dissatisfaction among the Latin Americans with the cooperation received from us, and a feeling that we were neglecting our old friends in favor of new ones.

20. The resentment of the Latin Americans is all the more understandable in the light of the fact that, during the recent period of our isolationism, they were virtually the only states with which we maintained intimate cooperative relations. Our abandonment of hemisphere isolationism and assumption of world leadership was accomplished with an abruptness and completeness that was bound to shock the sensibilities of the Latin Americans. The change was announced at San Francisco in 1945 when, instead of the alternative British concept of an international organization based on regional components, we advanced the concept of "One World" without seams. The Latin Americans embarrassed us at the time by insisting on the inclusion in the UN Charter of regional provisions that would allow for the
continuation

TOP SECRET

-6-

continuation of the inter-American regional system which we appear to be abandoning by the wayside.

21. The discrepancy between the world responsibilities that we assumed in 1945 and the traditional claims of our Latin American relations to first priority found expression in the harshness which characterized our dealings with the Latin American states about 1945-46. Resentment against Argentina's equivocal wartime policy, which had been largely suppressed, now emerged in bitter official expression. At the same time, we promoted divisive influences within the inter-American system by categorically distinguishing, for purposes of our policy, the "good" members from the "bad". Finally, we obtained indefinite postponement of the already scheduled Rio Conference, which had been intended to cement our inter-American relations by a treaty of defensive alliance that would represent the culmination of a decade's steady development. Many Latin Americans now felt that we had used their cooperation during the war only to drop them in the day of victory.

22. To make matters worse, Latin America began to suffer, in the post-war world, the dire consequences of wartime economic dislocations. These consequences were aggravated by popular expectations that had been built up to make the objective of victory seem worthwhile. The result was a ^{certain} development of nationalistic self-pity and of its corollary, resentment of others.

23. The failure to realize the dream of "One World", however, brought a quick modification of US policy toward Latin America. With the rise of the communist threat and the development of the cold war in 1946 and 1947, we sought a reconciliation with Argentina and took other conciliatory steps, such as authorizing the Institute of Inter-American Affairs, which had been slated for extinction, to continue its programs

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TOP SECRET

-7-

of inter-American cooperation. We agreed to holding the Rio Conference after all, and the conclusion of the Rio Treaty betokened the restoration of the inter-American alliance, although in a changed world context.

24. Even though the cultivation of inter-American solidarity was again an immediate objective of US foreign policy, it no longer enjoyed the priority that it had in the days when there were no other objectives to compete effectively with it. Concentrating all our attention where it was needed at the moment, and acting swiftly, we intervened in Greece and Turkey, we inaugurated the multi-billion dollar ERP to rescue Western Europe, we concluded the North Atlantic Treaty on the model of the Rio Treaty, and we undertook to arm the non-American world on the Soviet periphery at our expense. With our limited economic and human resources, however, we had no choice but to expose our Latin American relations to relative neglect for the time being.

2+ bis. In this period that followed the reversal of our immediate post-war policy in Latin America, our relations with the other American states were sound in themselves. While there was some diminution in the volume of our economic assistance by comparison with the figures for the war years, this was to be expected. The volume was substantially greater than it had been in the period preceding the war. Through the operation of normal human psychology, however, that assistance had in some degree come to be regarded by the recipients as the discharge of an established international responsibility. Above all, it appeared to them insignificant by contrast with the billions of dollars that we were pouring into Western Europe, Greece, and Turkey, ostensibly for the rescue of those countries from economic distress such as was not entirely unknown to the Latin Americans themselves. It was not

REF ID: A66177
TOP SECRET

-3-

any neglect of economic cooperation with Latin America in itself, but the attitudes which developed in Latin America toward our European programs, that injured relations with the US.

24 bis.² At the same time, the vanity of the Latin Americans was hurt by the nevertheless inescapable fact that the urgency of events in Europe made it impossible for this Government to continue giving the kind of high-level, concentrated attention to their claims that they had enjoyed during the pre-war period in which our diplomacy was directed chiefly at cultivating their friendship.

25. The continuing unhappiness in our inter-American relations through the last quarter of the 1940's, essentially a pre-war period, contrasts with the solidification in our relations with the rest of the free world. It has persisted in the face of a mounting common danger, that of communism, which should have been substantially more conducive to solidarity than was the Nazi-Fascist danger in the 1930's. There have been no large Russian minorities in the Americas as there were German and Italian minorities, although the adherents of communist doctrine represent a partial equivalent. With the slight and qualified exception of Guatemala, the governments have all been in the hands of men who regard communism as the greatest of all possible menaces.

REF ID: A66177

TOP SECRET

-9-

26. In the year 1950 we can still count on substantial inter-American cooperation in the contingency of global war. We can also count on a general degree of inter-American cooperation in the prosecution of the cold war, especially in the United Nations. The Korean crisis has shown, however, how much apathy we may now expect from Latin America in contingencies short of the extreme. The Latin Americans have lost some of their erstwhile sense of identification between their interests and ours. A further deterioration in our inter-American relations might lead to an eventual situation in which we were no longer justified in assuming that we could count on the full and voluntary cooperation of the other American states in the event of disaster.

IV. THE PROBLEM.

27. In order for it to work, the coalition of free states must have a common agreed policy. The same principle applies to the regional components of that coalition. Consequently, as leader of the coalition and of its main regional components, we are no more free today to have a purely national policy than the President of the US is free to have a purely personal policy. Identity must be established between our foreign policy and the policies of the states under our leadership. Agreement on a common policy must therefore be negotiated in New York, in London, in Rio de Janeiro, and in the other capitals of the free world. This gives rise to formidable difficulties of ~~procedure~~ procedure.

28. The difficulties of ~~procedure~~ procedure have in turn given rise to the correspondingly formidable problem of creating adequate organizational machinery through which to develop our new foreign policy and conduct our foreign relations. The degree of our success in meeting this problem is demonstrated by the contrast between the Department of State in

1950

TOP SECRET

-10-

1950 and its predecessor in 1940. Today, the Department is able to formulate and implement policy simultaneously for our daily participation in the various organs of the UN and the NATO, and for the maintenance of an immense volume and range of urgent daily business with each of more than fifty other governments. In the short time we have had, however, we have not yet been able to perfect our governmental machinery for dealing simultaneously on all the fronts that now claim our attention. Under the circumstances, the cost of the attention we have necessarily given in recent years to developments in Western Europe and the Mediterranean has been some neglect of our inter-American relations. (This may be demonstrated in a multitude of simple illustrations, such as the fact that during the "Berlin crisis" it was virtually impossible for a Latin American ambassador to get an interview with the Secretary of State.)

29. More specifically, the more urgent attention we have had to give to developing a common policy by consultation with the governments of Western Europe has been reflected by the relative lack of consultation with the Latin American governments on the development of such common policy. We have, in effect, expected them to follow rather than accompany us, being rightly confident of their basic political orientation. This contrasts however, with our practice of consultation in the 1930's, when we had relatively little else to do.

30. Under these circumstances we did not avoid or mitigate the misunderstandings with the Latin Americans to which our European policies gave rise. We failed to identify the Latin Americans with us, as our allies, in those policies. We did not consult them regarding those policies; we did not effectively explain those policies to them. For the most part they learned from the newspapers of our tremendous grant programs

TOP SECRET

-11-

to European countries, and they read in the newspapers that the purpose of our grants was to give everybody a better life--an objective that they felt might as properly be applied to our traditional friends and neighbors as to the peoples of other continents.

31. If we had been in a position to give full consideration to the role of Latin America in all these matters, and to act on such consideration, we would have told the Latin Americans, not that the objective of our European aid policies was a better life for everyone, but that it was the purely strategic objective of achieving hemisphere security. We would have pointed out to them that the US was making sacrifices to plug leaks in the boat that they occupied with us. This would have made it clear that what the actual policy situation called for was Latin American participation in the efforts we were making rather than in the financial receipts that came out of them. We would have presented the Marshall Plan and the Greek-Turkish Aid Program, not as examples of the unilateral purpose of the US to give everybody a better life, but as expressions of the New World coming to the rescue of the Old for the sake of its own security.

32. If we had been able to give this kind of consideration to the relationship between what we were doing in Europe and the position of Latin America, we might have made the Latin Americans feel that they were honorably associated with us as our allies in an inspiring enterprise, rather than that they were, together with countries of Europe and Asia, proper objects of our humanitarian solicitude. The tendency to feel themselves passive objects of our policy rather than colleagues in its prosecution was deleterious to sound inter-American relations.

33. A corollary tendency to depend heavily on the expectation of US assistance in the solution of their economic problems,

TOP SECRET

-12-

has made it more difficult for the Latin Americans to deal courageously and forthrightly with the economic crises that have afflicted them in the post-war period.

34. The general problem that we face in our Latin American policy today is that of developing a strong community of free and stable states bound securely to us in the positive pursuit of our objective to frustrate the Kremlin design. This requires the reversal of negative trends that have characterized our inter-American relations in the period 1945-50 as a whole. Such a reversal in turn requires that we find the means to give more vigorous attention to our inter-American relations in the period 1950-1955.

35. Problems that constitute elements in our general problem are: (a) to ~~re~~-establish inter-American relations on the high plane of an alliance among self-respecting juridical equals whose solidarity of action in the world is based on the common objective of hemisphere security; (b) to provide the kind and degree of cooperation that, supplementing such efforts as they are able to make for themselves, will maintain their political and economic viability and their continuing historic progress towards a realization, in their domestic politics, of the ideals of democracy; and (c) to complete the process of developing the machinery through which our Government conducts its foreign relations so that it can give to the Latin Americans the kind of attention that their position requires without at the same time neglecting the more urgent demands from the key areas on the periphery of the Soviet Union; (d) to make it possible for Latin American countries to participate with military contingents in such enforcement actions of the UN as that undertaken in Korea.

36. The problems referred to immediately above are in part the problems of leadership in a society of free nations. The abandonment of our 19th century isolationism has deprived us

TOP SECRET

-13-

of the luxury of having a purely US policy. We now have to identify US policy with hemisphere policy, with North Atlantic policy, and with UN policy. We have developed the machinery for consulting our North Atlantic allies in the development of common policy. We are contemplating providing for increased consultation with India. We must also consult to some degree with our inter-American allies in the development of a common hemisphere policy toward the rest of the world. The UN (where we consequently enjoy better Latin American support than anywhere else) is now the only theater of such consultation, and there it is limited to the items on the UN agenda.

V. RECOMMENDATIONS.

A. Diplomatic Policy

37. The general objectives of US diplomatic policy toward Latin America should include the following:

- (a) To identify Latin American strategic interests in the world with US strategic interests in the world by giving them the common context of hemisphere security.
- (b) To identify Latin American policy in the world with US policy in the world by establishing the common context of hemisphere policy.
- (c) To identify Latin America with the US in the implementation of hemisphere policy.
- (d) To establish these identities in the minds of the Latin Americans and thereby to give them a sense of honorable participation with the US in the cause of saving freedom.
- (e) To continue the development of the inter-American system as an instrument of inter-American solidarity.

38. In pursuance of these objectives, we should adopt a policy of consulting the governments of the other American

TOP SECRET

-14-

states on the main strategy of the cold war and the policies (in their broadest aspects) that result from it.

This means that we should accept an obligation toward the other American states not altogether unlike that assumed by the UK toward the self-governing dominions. While the other American states participate on their own in the UN, they are generally without the opportunity to participate otherwise in the development of world relationships that, from our point of view and theirs, must be made to serve the ends of hemisphere security. Examples of this lack of participation are provided by the Marshall Plan and the Greek-Turkish Aid Program, both of which were developed as unilateral policies of the US. A policy of greatly expanded aid to South Asia would provide another example. (The British held a Commonwealth conference and came up with a Commonwealth plan for Point Four aid to South Asia.) Another example in immediate prospect is that of the drafting a Japanese peace treaty in the Far Eastern Commission, which includes no representation from Latin America. Under the recommendation here made, the US, before it entered the FEC meetings, would use routine diplomatic channels to invite the several Latin American states, all of which are at war with Japan, to submit their views. At these FEC meetings we would then be in a position to present the views and interests of the Latin American states, and might well adopt positions with respect to particular questions on the grounds that our neighbors in the hemisphere had expressed a concern. This kind of informal representation would be an expression of our responsibility for leadership in the inter-American community of states, but it would not take away from

TOP SECRET

-15-

the sovereign dignity of the other members, any more than similar reflection of dominion interests by the UK takes away from the sovereign dignity of the dominions. It would be a recognition of the fact that US policy cannot be separated from hemisphere policy, and that hemisphere policy is reached by the joining together of sovereign wills through essentially democratic procedures.

39. The US should of necessity and in some degree follow a hierarchical principle in consulting the other American governments on questions of world policy directed at hemisphere security. It is not realistic to expect that we could maintain the same level of consultative relationships with Honduras and Haiti as with Argentina, Brazil, and Mexico. On some matters we would expect these larger countries to cooperate with us in consulting and developing the views of other members of the community. (The principle of juridical equality in our inter-American relationships would, however, have to be preserved.)

40. While mutual consultation with the other American states might necessarily be limited to the main outlines of world strategy, we should keep them currently informed in greater detail. The UK maintains a flow of information messages to the dominion governments, reporting cabinet decisions, intelligence estimates, and inside developments of one sort or another. This gives the Commonwealth governments the opportunity to comment on developments, although the traffic tends to be overwhelmingly one-way. The value is chiefly psychological. The other governments, flattered by the feeling that they are in the inside of what is going on in London, come to identify themselves with London's policy and consequently to support it. Some adaptation of this procedure

TOP SECRET

-16-

would be useful in identifying the Latin American governments with the development of our policy and obtaining their support for it.

41. We should continue our successful liaison work in the UN. This liaison work illustrates much of what has been said in this memorandum. It is noteworthy that inter-American solidarity is more effective in the UN today than anywhere else. (One result of this has been to lull many who are not in intimate contact with inter-American affairs into an excessive assurance regarding the degree to which we can continue to count on Latin American solidarity with us.)

42. We should rehabilitate the term "hemisphere security", using it to explain to the Latin Americans what we are doing in Korea, in France, in Saudi Arabia, all over the world.

B. Economic Policy

43. The general objectives of US economic policy toward Latin America should be:

- (a) To secure the political independence and economic viability of the other American states on the strongest possible basis
- (b) To promote the self-reliance of the other American states;
- (c) To demonstrate the benefits of cooperation with the US for the preservation of freedom.

44. The first two objectives represent, in terms of economic policy, the basic objective of building up the strength of our allies. They are bound together. Our assistance would be wasted on countries that had given up the struggle to do for themselves and, instead, relied on us to take care of them. No country can achieve economic security except by its own intelligent and determined efforts. The US contribution, to be effective, can only be supplemental to such

TOP SECRET

-17-

efforts.

45. Our basic policy, moreover, relies on private enterprise, at home and abroad, to carry on the main business of economic survival and development. In his address of September 19, 1949, the Secretary of State included among "the basic principles on which our policy in this hemisphere must rest": "the stimulation of private effort as the most important factor in political, economic, and social purposes". Just as we should not apply our economic assistance to stultify self-help, so we should not displace effective private enterprise by governmental undertakings.

46. We must therefore require the existence of certain conditions in the receiving countries for our economic assistance, financial and technical. These conditions are those without which our assistance could not achieve its purpose. This is different from making conditions in terms of quid pro quo.

47. More immediate objectives of our policy should be:

(a) To offset the progressive deterioration in our relations with Latin America resulting from the fact that the US has or plans to have large-scale programs of economic assistance in all other major areas of the world.

(b) To improve our political relations with Latin America by the concrete demonstration of our willingness to assist in the economic development to which the Latin American leaders and people aspire.

(c) To concentrate economic development in Latin America in those basic fields that will contribute the maximum to:
(1) maximizing the output of strategic and other essential materials required to meet expanded consumption requirements in the US, plus the attainment

TOP SECRET

-18-

of stockpile objectives; and

(2) developing production that will minimize Latin America's dependence on the US as a source of food and other essential supplies in case of emergency.

(d) To hold the drain on US financial resources to the minimum compatible with the attainment of the foregoing objectives.

48. We should therefore be prepared to expand substantially both our present loan programs and our program of technical assistance as indispensable to dealing with the economic and social insecurity that today threatens the whole fabric of inter-American life and inter-American relations.

49. We should develop as promptly as possible a program designed to make available to us the needed strategic materials of which Latin American countries are producers or potential producers. This may require grant assistance as well as loans for the development of production, of the conditions under which production can be effectively undertaken, and of the means of access to the sources of raw materials. It may require, moreover, a general agreement for cooperation among the American states, reached through the procedures of the Organization of American States, plus particular agreements with particular countries. Such a program should be related to all other aspects of our economic relations with these countries. It may be anticipated that extreme reluctance will be encountered on the part of Latin American governments to go in for wartime production programs except in the context of an integrated economic program which takes account of their essential wartime requirements and also of the adverse effect on their economies of an eventual termination of the production programs.

50. Production goals in Latin America should be set, on the basis of meeting both the requirements of our current consumption and of our stockpiling.

51. In case of emergency controls on US industrial production, we must be prepared to provide for the necessities of the Latin American peoples on the same general level as we provide for our own people. This is one element in the reciprocity that the other American states have the right to expect of us.

52. Finally, it is urgently necessary that the several elements in our assistance to other American states be organized in relation to one another so that they together constitute comprehensive and integrated country-by-country programs. Loans should not be applied without regard to technical assistance projects, and technical assistance should not be applied without regard to loan projects. What is done in public health should have a supporting relationship to what is done in the field of agriculture, and vice versa.

53. Since the several elements of our assistance for economic development are controlled respectively by various agencies of our Government, the realization of the purpose set forth in the above paragraph requires administrative reforms to coordinate these agencies for the implementation of comprehensive policies.

C. Military Policy

54. The general objectives of US military policy toward Latin America (including non-military objectives) are set forth in NSC 56/2, which envisages that armed forces should be maintained by the other American republics generally for the following principal purposes:

- (a) To minimize diversion of the armed forces of the United States in maintaining the security of the Western Hemisphere.

TOP SECRET

-20-

- (b) To maintain internal order and security.
- (c) To provide local defenses against isolated attacks or raids.
- (d) To protect coastwise shipping.
- (e) To augment the armed forces of the United States in protecting overseas [sic] commerce.
- (f) To provide facilities for the use of such United States or other American forces as may be required for protection against external aggression.
- (g) In some cases to provide forces for augmenting United States forces outside this Hemisphere."

55. NSC 56/2, the basic statement of US policy toward military collaboration with Latin America, was issued on May 18, 1950. Since that time, the purpose listed in (g) above has acquired a heightened significance in consequence of the UN action against aggression in Korea and the adoption by the UN General Assembly of the Resolution on "United Action for Peace", an important section of which recommends that the UN members ". . . maintain armed forces so trained, organized, and equipped that they could promptly be made available . . . for service as United Nations unit or units, upon recommendation by the Security Council or General Assembly, . . .". This Resolution was approved by all Latin American governments except Argentina, which abstained. In the light of these developments, amplification of purpose (g) above is required.

56. Our experience in trying to get military contributions to the Korean operations from Latin America showed that (1) at least some Latin American governments genuinely wished to participate in the military action, and (2) most, if not all, of these governments could not meet the requirements of such participation, logistic or financial, without assistance

TOP SECRET

-21-

from us. Presumably they will have the same need with respect to any effective implementation by them of the resolution on "United Action for Peace".

57. Active participation by Latin American contingents in overseas military enforcement action by the UN would have invaluable psychological consequences. It would give the Latin Americans, peoples and governments, the needed sense of participation in the common struggle and it would commit them actively to our side.

58. Well equipped and trained Latin American units would also make an effective military contribution, especially since we may, in the development of future war situations, be confronted with serious shortages of man-power to use the equipment we are capable of producing. The population of Latin America slightly exceeds that of the US and should be drawn upon to the limit of its effective capacity.

59. During the past war the US, in order to secure shipping lanes, provide necessary communications, obtain the required transportation of strategic materials, and protect air and naval bases, had to station in the Caribbean and South Atlantic 300,000 officers and men. In a new war such a drain on our resources of military personnel would be severe. The possibility of shifting a large portion of this responsibility to Latin American military establishments is real, but would require effective assistance in equipment and materiel.

60. In view of the limited financial resources of the Latin American countries, it is not likely that their military establishments can be adequately strengthened to meet the above purposes without at least a modest program of MDAP assistance on a non-reimbursable basis. Present legislation authorizes such assistance for certain countries in Europe

TOP SECRET

-22-

and Asia, but not for any of the Latin American countries, which are all required to make reimbursement in full, except that a small and dwindling supply of materiel classified "excess" can be transferred to them at approximately 10% of original cost.

61. NSC 52/2, although antedating the Korean crisis and the UN Resolution, stated that "full realization of the Latin American potential for contributing to the prosecution of a war requires more effective inter-American military collaboration than now exists. Failure to achieve satisfactory collaboration would impose on United States forces requirements in excess of their efforts in World War II, and engender a situation detrimental to the security interests of the United States."

62. Although there are risks inherent in strengthening the armed forces of Latin American countries, the guiding purposes of the UN Resolution should make possible the exercise of a restraining influence to prevent misuse of such additional forces as it requires. In any case, the strategic considerations are so important as to warrant reasonable risks of this sort.

63. The Inter-American Defense Board is responsible for recommending to the American governments "the measures necessary for the defense of the continent", and for acting "as the organ of preparation for collective self-defense against aggression". It provides us with a channel through which to advise the other American governments on the development of military units for the purposes set forth above, and it also can serve for developing plans for the possible integration of such units into a single Latin American force. Our Joint Chiefs of Staff recommended that the Board be used for working out a plan for the organization and employment of

TOP SECRET

-23-

Latin American units available for service in Korea. This kind of use would meet the frequently manifested desire of Latin American countries to approach world problems of this character collectively and to find strength through association of this sort. Although the UN Resolution provides for the creation of a "panel of military experts" to be made available upon request of member states seeking technical advice on implementation, it appears more appropriate that the American states should use the instrumentality which was established to provide military advice on a regional basis than that they should individually apply to the UN panel (which has, in any case, not yet been created).

64. The degree of military assistance available from Latin America in case of emergency in, say, 1952-1953 depends on decisions taken in 1950 and a prompt beginning on the active implementation of such decisions.

65. In view of the above, the US should:

- (a) through revised legislation, make MDAP assistance available to Latin America on a grant basis and on a scale substantially larger than would be required for a limited program based solely on hemisphere defense;
- (b) develop plans for the fullest use of Latin American military forces, inside the hemisphere and abroad, through the regional machinery of the OAS, in particular the Inter-American Defense Board.

D. Public Affairs Policy

66. The objectives of public affairs policy are the objectives of general foreign policy as they bear on public opinion abroad. In particular, public affairs policy supplements diplomatic policy in an age in which whole peoples, not only heads of state, are involved in foreign relations. Under the heading of Public Affairs Policy, therefore, the following

TOP SECRET

-24-

recommended objectives of US diplomatic policy toward Latin America are repeated:

- (a) To identify Latin American strategic interests in the world with US strategic interests in the world by giving them the common context of hemisphere security.
- (b) To identify Latin American policy in the world with US policy in the world by establishing the common context of hemisphere policy.
- (c) To identify Latin America with the US in the implementation of hemisphere policy.
- (d) To establish these identities in the minds of the Latin Americans and thereby to give them a sense of honorable participation with the US in the cause of saving freedom.

In making progress toward the above objectives our public affairs policy must spread sympathetic understanding of the US as it really is, confidence in our motives, confidence in our ability to achieve our purposes, and general respect for us as a nation and a people. It must also, in this context, make its contribution to the general objective listed under "Economic Policy" above, "To demonstrate the benefits of cooperation with the US for the preservation of freedom", as well as to some of the more particular objectives of our economic policy also listed above.

67. Since communist propaganda in Latin America has been outstandingly effective in promoting and heightening the Latin American resentments and grievances against the US referred to in earlier sections of this paper, one of the important objectives to which our public affairs policy must address itself is that of putting communist propaganda vehicles out of commission or directly reducing their effectiveness.

68. The immanence of the people in national life has increased

TOP SECRET

-25-

in Latin America in recent years to the point where even authoritarian governments find it expedient to persuade by domestic propaganda rather than to rely wholly, as at one time, on coercion and trickery to induce acceptance of their will.

69. Men live and die for ideas. If we wish the people of Latin America to assimilate the concept of a hemisphere coalition, we must make it real to them by translating it into the terms of a coalition of peoples.

70. The Department's information services, with their overseas extension in the USIE program, are the established instrument for carrying out this assignment. However, at present and as projected through fiscal 1951, the total resources available for use in Latin America are wholly inadequate. One example of present deficiencies is the fact that Department-produced material for countering Communist and Soviet propaganda includes nothing prepared specifically for Latin America, since there is no staff to prepare it. Consequently, the resources available for the information program as a whole in Latin America should be augmented.

71. The educational exchange program, now at a reduced level, should be substantially increased and arrangements made to extend its influence to a wider variety of persons and fields of study.

72. The field organization, operating funds, and materials should be made available to provide for a broader and at the same time more specifically directed propaganda program designed to operate through all media of popular expression.

73. The program will best serve both the strategic needs of the next few years and the long-range interests of hemisphere policy if in its development the following characteristics are increasingly observed: (1) emphasis on labor groups as

TOP SECRET

-26-

the priority target of effort, with attention to the student population closely following, and (2) bi-national cooperation and the encouragement of reciprocity. Every effort should be made to give the program a collaborative aspect. The cultural institute is recognized as the ideal instrumentality for bi-national development, but the principle of cooperation can also be applied to the Point Four program and many other aspects of cultural exchange.

74. Finally, provision must be made for a more direct, aggressive approach to the problem of Soviet-directed propaganda. This must encompass, as a necessary adjunct to the positive appeal of the USIE program, the systematic elimination of Communist organs and channels of influence.

VI. SUMMARY

75. The basic objective of strengthening the free world to frustrate the Kremlin design has its application to all the countries of Latin America, where it must be interpreted in terms of the special features that characterize the American states as a regional community sharing the hemisphere, and the special relations that the US consequently maintains with them.

76. US security is the objective of our world-wide foreign policy today. US security is synonymous with hemisphere security. This provides a basis for identifying the other American states with our policy. Such identification must make them our active colleagues. It calls for a diplomatic policy of consulting them and keeping them informed, economic and military policies directed at joint efforts, and a vigorous public affairs policy.

77. The prevalence of economic instability in Latin America, taking an extreme form in certain countries, makes increased

TOP SECRET

-27-

US economic assistance imperative, not only to the attainment of the basic objective, but to averting a possible future drain on our political and economic strength. Such increased assistance should be designed with a view to developing the self-reliance of the Latin Americans and supporting the role of private enterprise. It should be effectively coordinated on a country-to-country basis. In addition, strategic materials programs should be developed and provision made for Latin America in case of export controls.

78. For Latin America to play the role in military cooperation that our military policy envisages, and for it to meet the added responsibilities that have emerged since the Korean crisis and that are defined in the "United Action for Peace" resolution of the UN General Assembly, it must be eligible to receive military equipment from the US on a grant basis. The Inter-American Defense Board should be used for developing common inter-American military policies and plans.

79. By the implementation of the recommendations set forth in this paper the US should recapture some of the initiative in inter-American relations that should be associated with its leadership but has in some degree been allowed to lapse because of urgent preoccupations in other areas.